

GRP LIMITED

(Company Registration Number 197701449C)
(Incorporated in the Republic of Singapore)

UPDATE ON ENTRY INTO AFFORDABLE TERRACE HOUSING IN SRI ISKANDAR, PERAK MALAYSIA BY RATUS NAUTIKA SDN. BHD.

The Board of Directors (the “**Board**”) of GRP Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 23 January 2020 and 4 December 2020 (collectively, the “**Announcements**”) in relation to the appointment of Ratus Nautika Sdn. Bhd. (“**Ratus**”) as developer, and the entry by Ratus into a Joint Venture Development Agreement (“**JVDA**”) to develop an affordable housing project, known as “Proposed Joint Venture Development in Special Program of Perwira Housing of Perak State” (the “**Project**”). The Project consists of 1,039 units of single-storey terrace houses and 28 units of terraced shops, and the building and construction is set to be completed within forty-two (42) months from 2 December 2020, being the date of the JVDA.

Information on Ratus and the Tender Award

The Group wishes to update that Ratus, had invited for tender from contractors for the construction of the Project. A total of 7 tender documents were received, and the tender was awarded on 26 July 2021 to Energiser Enterprise Sdn. Bhd. (“**EESB**”), which submitted the lowest tender at RM111,770,000.00 (the “**Tender**”). Under the terms of the Tender, the Project is to be developed in 3 phases, with Phase 1 commencing with 465 housing units; Phase 2 with 270 housing units and 28 shop units; and Phase 3 with 304 housing units. The 3 phases are to be completed within thirty-four (34) months from Tender award date.

Ratus is a wholly-owned subsidiary of Rumah Kami Sdn Bhd (“**Rumah Kami**”). As announced on 16 July 2021, the Company’s indirect wholly-owned subsidiary, GRP Project Management Sdn Bhd (“**GRP Project**”) having contributed additional share capital, has increased its equity interest in Rumah Kami to 70%.

Information on EESB and Mr Chang Kok Kheong (“**CKK**”)

EESB, is a company incorporated in Malaysia, with an issued share capital of 750,000 shares of RM1 each. Prior to the award of the Tender, EESB had satisfactorily completed the construction of 18 show house units, relating to the Project, for a value of RM1,800,000.00.

CKK and his spouse Ms Chong Yin Peng (“**CYP**”), each owns a 50% indirect interest in EESB.

CKK also owns a beneficial interest in all the shares issued by Poly Radius Sdn. Bhd. (“**PRSB**”). Based on the Shareholders Agreement signed in December 2018 (the “**SHA**”), and an Addendum to the SHA signed in December 2020 (the “**Addendum**”) negotiated between the shareholders of Rumah Kami, PRSB shall have a 12.857% shareholding interest in Rumah Kami.

In July 2017, the Company, Luminor Pacific Fund 2 Ltd (“**LPF2**”) and Luminor Harbour Fund 1 Pte Ltd (“**LHF1**”) (together, the “**Subscribers**”) entered into a Subscription Agreement (the “**SA**”) with EESB and its existing shareholders, CKK and CYP, pursuant to which the Subscribers agreed to subscribe for 39,465 Redeemable Preference Shares (“**RCPS**”) in EESB for an aggregate sum of RM20 million. In accordance with the SA, the Company subscribed for 15,295 RCPS for an aggregate sum of RM7.75 million (which is approximately S\$2.5 million). The Subscribers elected not to exercise its conversion rights throughout the terms of the RCPS, hence all RCPS were due for redemption. EESB had been unable to redeem the RCPS, and EESB subsequently entered into restructuring agreements with the Subscribers towards the settlement of the amount outstanding on the RCPS. Pursuant to an agreement between EESB and the Subscribers dated 31 May 2020, the aggregate amount outstanding on the RCPS is S\$11,200,844.00 (the “**Outstanding Sum**”), out of which S\$4,341,348.00 is due to the Company and the Outstanding Sum would accrue interest at 10% per annum therefrom. Please refer to Company’s Announcement dated 30 June 2020 for more details of the restructuring agreements. As at the date of this announcement, the Outstanding Sum remains unsettled.

Mr Kwan Chee Seng (“**KCS**”), an Executive Director and controlling shareholder of the Company, is a director and shareholder of Luminor Capital Pte Ltd (“**LCPL**”) which is the fund manager for LPF2 and LHF1. KCS is one of the investors of LHF1. Ms Kwan Yu Wen (“**KYW**”), a Non-Executive Director of the Company, is the daughter of KCS and is a shareholder of LCPL.

Other Matters

The Project is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Company and the Group for the financial year ending 30 June 2022.

Save as disclosed above, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Tender, other than through their respective shareholdings (if any) in the Company.

BY ORDER OF THE BOARD

Teo Tong How
Independent Director and Chairman
27 July 2021